BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

OFFICE OF THE VICE CHAIRMAN

January 3, 1969.

Top Hoodlum Program - Switzerland

Mr. J. Edgar Hoover, Director,
Department of Justice,
Federal Bureau of Investigation,
Washington, D. C. 20535.

Dear Mr. Hoover:

There is enclosed a copy of a December 19, 1968, memorandum from the Federal Reserve Bank of New York discussing underworld control of banks with particular reference to International Credit Bank, Geneva, Switzerland.

This information is being forwarded to you for whatever action you may deem appropriate. We would appreciate being informed of any investigatory action contemplated, and, of course, we will cooperate to the fullest extent possible.

Sincerely,

J. L. Robertson

Enclosure

REC- 90 62-9-268-112

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EX-102

ENCLOSURE

FEDERAL RESERVE BANK OF NEW YORK

Confidential

TO: Fred W. Piderit December 19, 1968

FROM: Gordon Eastburn

SUBJECT: Underworld Control of Banks: International Credit Bank, Geneva, Switzerland.

During an airplane flight from Europe in the early part of this year 7(D) met 7(D) a member of the Swiss Banking Commission. In conversation 7(D) indicated he was concerned about the activities of a recently organized Swiss bank whose American owners he believed had underworld connections. 7(D) subsequently discussed the matter with 7(D) who felt it would be appropriate for the Federal Reserve System to determine whether the activities of the Swiss bank involved any American bank.

On July 19, 1968 7(D) wrote to 7(D) requesting the name of the Swiss Bank and any other information he could furnish, including the names of the bank's principals. 7(D) replied, that in view of his official position and Swiss secrecy laws, he could only refer 7(D) to a series of articles on the "Mafia" published by Life magazine. However, later in the year, on November 8, 7(D) confirmed during a face-to-face visit, that the bank to which he referred was the International Credit Bank.

According to an article in Life dated September 8, 1967[1] some of the cash received at Las Vegas gambling casinos is taken or "skimmed" by the underworld before it is recorded on the casinos' books. It is then carried by "bagmen" to the Bahamas where it "generally moved first through two Bahama banks - the Bank of World Commerce and the Atlas Bank - and then on to the International Credit Bank in Switzerland".[2] The money is "skimmed" to avoid taxes and to compensate underworld interests.

Published bank directories indicate that the International Credit Bank, Geneva, Switzerland was organized in 1959. It has a branch in London, and in Nassau, the Bahamas, and has a representative office in New York City. The Chase Manhattan Bank (National

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1/ "The Mob: Part 2", Life, September 8, 1967, pp. 91-104.
2/ Ibid. pp. 99-100.

ENCLOSURE

62-9-268-112

Association) is one of several New York City banks listed as correspondents of the Swiss bank. Accordingly, we asked Chase officials for any information they could give us about the bank. They provided the following statement as of September 30, 1967:

International Credit Bank
Geneva, Switzerland

September 30, 1967

Assets		Liabilities and Capital	
Cash and due from banks	$30,879,959	Deposits	$79,661,898
Securities	2,412,887	Other liabilities	1,942,684
Loans and discounts	54,306,682	Capital	6,082,125
Other assets	1,931,630	Other capital accounts	1,844,451
	$89,531,158		$89,531,158

Chase also provided us with a list of the International Credit Bank's officers and directors, and a brief biographical sketch of its president, M. Tibor Rosenbaum. According to Life Mr. Rosenbaum "travels on a diplomatic passport from Albania".3/ Information supplied by Chase indicates he is connected with several companies, many of which appear to be Liberian or Swiss organizations. Mr. Rosenbaum is reportedly a commercial attache of the Liberian embassy in Rome. Life refers to a director of the International Credit Bank and an officer, who reportedly was instrumental in organizing Atlas Bank in the Bahamas, as being underworld figures. But the list of officers and directors of the Swiss bank supplied by Chase does not include these men's names.

Switzerland
Liberia
Italy

With respect to the Atlas Bank, it was incorporated in 1963, and was originally owned by the International Credit Bank through a Liechtenstein corporation. It changed its name from Atlas Bank to its present title, International Credit Bank (Bahamas Limited), in April 1966. Chase informed us that this subsidiary has an account with the Nassau branch of the Bank of Nova Scotia and says that the account has performed satisfactorily. On November 13, 1968, Mr. Ruess of this Bank visited Mr. X. Helstern, Vice President of the New York Agency of the Bank of Nova Scotia, and requested any information he could give us about the International Credit Bank (Bahamas Limited). Mr. Helstern said that since the subsidiary was a private bank, the Bank of Nova Scotia officials in the Bahamas did not feel that they could divulge the names of its officers and directors.

3/ Ibid., p. 99.

With respect to the other Bahamian bank mentioned in the Life article, we have been unable to confirm the existence of a bank known as the Bank of World Commerce.

During his aforementioned visit here with 7(D) on November 8, 1968, when 7(D) confirmed that the Swiss bank of which he had first spoken to 7(D) was in fact the International Credit Bank, Geneva, he also said that the Geneva police had photographs evidencing contact of American underworld characters with officials of the bank. However, these authorities had no evidence of any other relationships. 7(D) mentioned that the International Credit Bank's capital had recently fallen below acceptable standards. But $20 million Swiss francs was added after the Commission advised the bank of the deficiency. The source of the funds is unknown. He indicated that the Swiss Banking Commission's supervisory powers are limited and do not include broad investigative authority regarding bank ownership. Accordingly, 7(D) expressed a continuing interest in any information we could develop.

We have been unable to uncover any connection between the International Credit Bank and any American bank. Detailed information is however lacking, concerning the bank's ownership and management. Similar information is lacking with respect to its subsidiary in the Bahamas. There is also no record of a Bank of World Commerce. Further efforts to obtain information that might satisfy 7(D) request might be better directed at this time to United States Government investigative agencies, such as the Federal Bureau of Investigation.